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ABSTRACT

The United States General Accounting Office undertook an assessment of whether additional federal funds are needed to assist states, the District of Columbia, Puerto Rico, and the United States territories in completing the development of the comprehensive mental health services plans required by law. To assess need, officials at the Department of Health and Human Services' (HHS) National Institute of Mental Health, the National Association of State Mental Health Program Directors, and mental health officials in 12 states were contacted. Results showed that monies allocated in fiscal year 1988 and those to be received in 1989 should be sufficient to develop the current plans by the September 30, 1989 due date. However, several officials noted that if plans submitted are not approved, they would need additional funds to address HHS's concerns. Even if the plans are approved, state officials still see a future need to fund related activities, such as monitoring, implementing, evaluating, and updating plans. Most state mental health officials were uncertain whether their state legislatures would appropriate state funds to support these activities. HHS also saw a need for funding for oversight and technical assistance activities it is to provide. (ABL)

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United States General Accounting Office

Report to the Chairman, Committee on Labor and Human Resources, U.S. Senate

April 1989

# MENTAL HEALTH

## Funds Needed for Future Planning Activities

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**United States**
**General Accounting Office**
**Washington, D.C. 20548**

**Human Resources Division**

B-235135

April 28, 1989

The Honorable Edward M. Kennedy
Chairman, Committee on Labor and
Human Resources
United States Senate

Dear Mr. Chairman:

This report responds to your request that we assess whether additional federal funds are needed to assist states, the District of Columbia, Puerto Rico, and the U.S. territories in completing the development of the comprehensive mental health services plans required by law.

To assess the need for additional planning funds, we contacted officials at the Department of Health and Human Services' (HHS's) National Institute of Mental Health; the National Association of State Mental Health Program Directors; and mental health officials in 12 states (California, Louisiana, Massachusetts, New Jersey, New Mexico, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Texas, and Virginia), Puerto Rico, and the District of Columbia.[1] We asked them what the funds already allocated for fiscal years 1988 and 1989 were being used for and what additional costs would be incurred in subsequent years to meet the requirements of the law. We did not review the records of state mental health agencies to verify their expenditures and use of federal funds. This work was performed during March and April 1989 in accordance with generally accepted government auditing standards.

## Results in Brief

Officials in all 14 states we contacted told us that, taken together, monies allocated in fiscal year 1988 and those to be received in fiscal year 1989 should be sufficient to develop the current plans by the September 30, 1989, due date. However, several noted that if plans submitted are not approved, they would need additional funds to address HHS's concerns. Even if the plans are approved, state officials still see a future need to fund related activities, such as monitoring, implementing, evaluating, and updating plans. Most state mental health officials were uncertain whether their state legislatures would appropriate state funds to support these activities. HHS also sees a need for funding for oversight and technical assistance activities it is to provide. These state and federal activities are all required by law.

[1]For reporting purposes, we collectively refer to these 14 jurisdictions as "states."

We have no basis on which to conclude whether the Congress should appropriate additional funds for state activities required by law. However, we believe that sufficient federal funds will be needed for HHS to fulfill its requirements under the law to ensure appropriate oversight and to provide technical assistance to the states.

## Background

In November 1986, the Congress passed Public Law 99-660, which requires states to develop and submit to HHS comprehensive mental health services plans to establish and implement community-based systems of care for the seriously mentally ill. The final plans are due to HHS by September 30, 1989.

In developing their plans, states must consult with a variety of individuals and organizations that represent state institutions and public and private nursing homes that care for the seriously mentally ill. The plans, which are to cover a 3-year period, must contain the following six requirements:

- Quantitative targets, such as the number of seriously mentally ill individuals to be served under such a system.
- Descriptions of mental health services that are to be provided to seriously mentally ill individuals, including how people will access treatment.
- Descriptions of support services for rehabilitation, employment, housing, and medical and dental care.
- Descriptions of activities to reduce the rate of hospitalization of seriously mentally ill individuals.
- Provisions for case management services to seriously mentally ill individuals in the state who receive substantial amounts of public funds or services.
- Provisions for the establishment and implementation of a program of outreach to, and services for, seriously mentally ill individuals who are homeless.

The law directs the Secretary of HHS to provide grants of not less than $150,000 a year to states for the development of state comprehensive mental health services plans during fiscal years 1988 and 1989.

To carry out this requirement, $10 million a year was authorized for fiscal years 1988 and 1989. The Congress appropriated less than half this amount. About $4.8 million was appropriated in fiscal year 1988. HHS retained $101,600 to meet its technical assistance responsibilities

and states received $82,200 each.[2] For fiscal year 1989, the Congress appropriated about $4.7 million, of which HHS retained $113,000 for its technical assistance costs and states will receive $81,000 each.

## Use of Allocated Planning Funds

Of the 14 states, 13 used their fiscal year 1988 funds to support personnel positions associated with the development of their state plans. These states either hired new staff within their mental health planning offices to perform planning, coordination, and clerical activities or contracted with mental health consultants to write their plans. The other state, Ohio, used its funds to support administrative expenses, such as printing and data processing costs. Ten states also used their federal grants to support travel expenses incurred by their planning councils, which were responsible for coordinating seminars, conducting public hearings, and gathering data from around the state. Some states, such as Texas, noted that because of their size, they spent more on travel costs in order to meet the requirement that they involve others in the planning process.

Of the 14 states, 5 supplemented the federal grant with their own funds. For example, New Mexico's state legislature provided $50,000 for the development of its state plan. New York told us that it spent $240,000 more than was allocated by the federal government, and Puerto Rico provided about $50,000 toward the development of its mental health services plan. Other states, such as South Carolina and Massachusetts, told us that they provided "in-kind" contributions, such as office space, to support the development of their plans.

The law requires the Secretary of HHS to provide technical assistance to states in the development and implementation of state plans. To meet this requirement, HHS collaborated with mental health consultants and contracted with mental health experts to develop manuals to help states collect and use existing data and obtain financing for mental health services. In addition, HHS developed and made available to the states a model plan for a community-based system of care.

[2]The 50 states, the District of Columbia, Puerto Rico, American Samoa, Guam, and the Virgin Islands each received $82,200 during fiscal year 1988. The Republic of Palau, the Marshall Islands, and the Federated States of Micronesia received a total of $82,200.

## Need for More Planning Funds

The 14 states were confident that their final plans will be submitted to HHS by the September 30, 1989, due date. With fiscal year 1988 funds and the receipt of fiscal year 1989 funds, no further federal funds would be needed to develop the current plans. However, several noted that if plans submitted by the due date are not approved, they would need additional funds to address HHS's concerns.

State officials also told us they will need funds in future years to monitor the implementation of the plans, collect data, evaluate their progress, and update their plans. The Director of Education and Service Systems Liaisons of HHS's National Institute of Mental Health, who is responsible for overseeing states' development and implementation of the mental health plans, also believed that because planning is an ongoing process, additional federal funds are needed to assist states in updating and implementing their plans in future years.

Because the law encourages the input of a variety of people involved in delivering services to mentally ill individuals, states believe resources will also be necessary to keep those people abreast of state activities and involve them in the monitoring, evaluation, and implementation of the process.

In addition, federal funds will be needed to assist HHS in meeting the provisions of the law that require it to provide technical assistance to states.

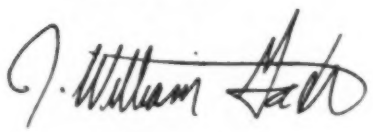
## Conclusions

Thus far, the process of developing state comprehensive mental health services plans seems to be progressing smoothly. The federal funds are being used to develop the plans, and some states are also supporting this endeavor by supplementing the federal grant with their own resources. While the funding and progress of current plan development seems adequate, there is some uncertainty regarding plan implementation which requires strategic planning and monitoring. Specifically, it is not clear who will provide funding for the implementation process and ensure that adequate data are collected and evaluated. We have no basis on which to conclude whether the Congress should appropriate additional funds for state activities required by law. However, we believe that HHS will need federal funds to provide technical assistance to the states in such areas as developing case management, setting priorities, and using planning councils.

As agreed with your office, we did not obtain official HHS comments on a draft of this report. However, we did discuss our work with cognizant officials, and they generally agreed with the information presented in this report.

We are sending copies of this report to the House and Senate Appropriations Committees, other interested congressional committees and members, the Secretary of HHS, the Director of the Office of Management and Budget, and the 59 state mental health authorities. The major contributors to this report are listed in appendix I.

Sincerely yours,



J. William Gadsby
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